

*3rd Annual GSA Smartpay
Conference
Department of Defense Day
Travel Card Session*



August 16, 2001

Defense

Finance and Accounting

Service

Centrally Billed Accounts

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Centrally Billed Accounts

- **DOD's Goal – Pay Bills on Time**
- **DOD Statistics - Good Job!**
- **Delinquency**
 - ***Suspensions at 60 days - NEW!***
 - ***BoFA Suspension Clock***
 - ***Prompt Pay Act Clock***
- **Payment Office Issues**
 - ***Invoice Processing - Basic Requirement***
- **Q & A**

DoD CBA Statistics

Delinquent Dollars

July 2000

Jul 2001

DoD

\$22.1M/9.5%

\$4.1M/2.2%

DoD CBA Statistics

(Continued)

➤ **Total Accounts Past due/Delinquent**

	<i>July 2000</i>	<i>Jul 2001</i>
➤ <i>30 - 60 Days</i>	<i>\$36.2M</i>	<i>\$38.1M</i>
➤ <i>60 - 89 Days</i>	<i>\$ 6.7M</i>	<i>\$ 2.9M</i>
➤ <i>90 -119 Days</i>	<i>\$ 3.9M</i>	<i>\$.2M</i>
➤ <i>120 - 149 Days</i>	<i>\$ 6.5M</i>	<i>\$.1M</i>
➤ <i>150 - 179 Days</i>	<i>\$.9M</i>	<i>\$.2M</i>

DOD CBA Statistics

(continued)

➤ **Good Job!**

➤ **But, New Rule Will Set
Suspensions at 60 Days**

CBA Delinquency

Suspensions at 60 Days

- **Suspension at 90 Days - Current Rule**
- **Suspension at 60 Days - New Rule**
- **Start Date for Susp at 60 days - TBA**
- **Invoice Cycle Date Starts Suspension Clock**

CBA Delinquency - Suspensions at 60 Days (continued)

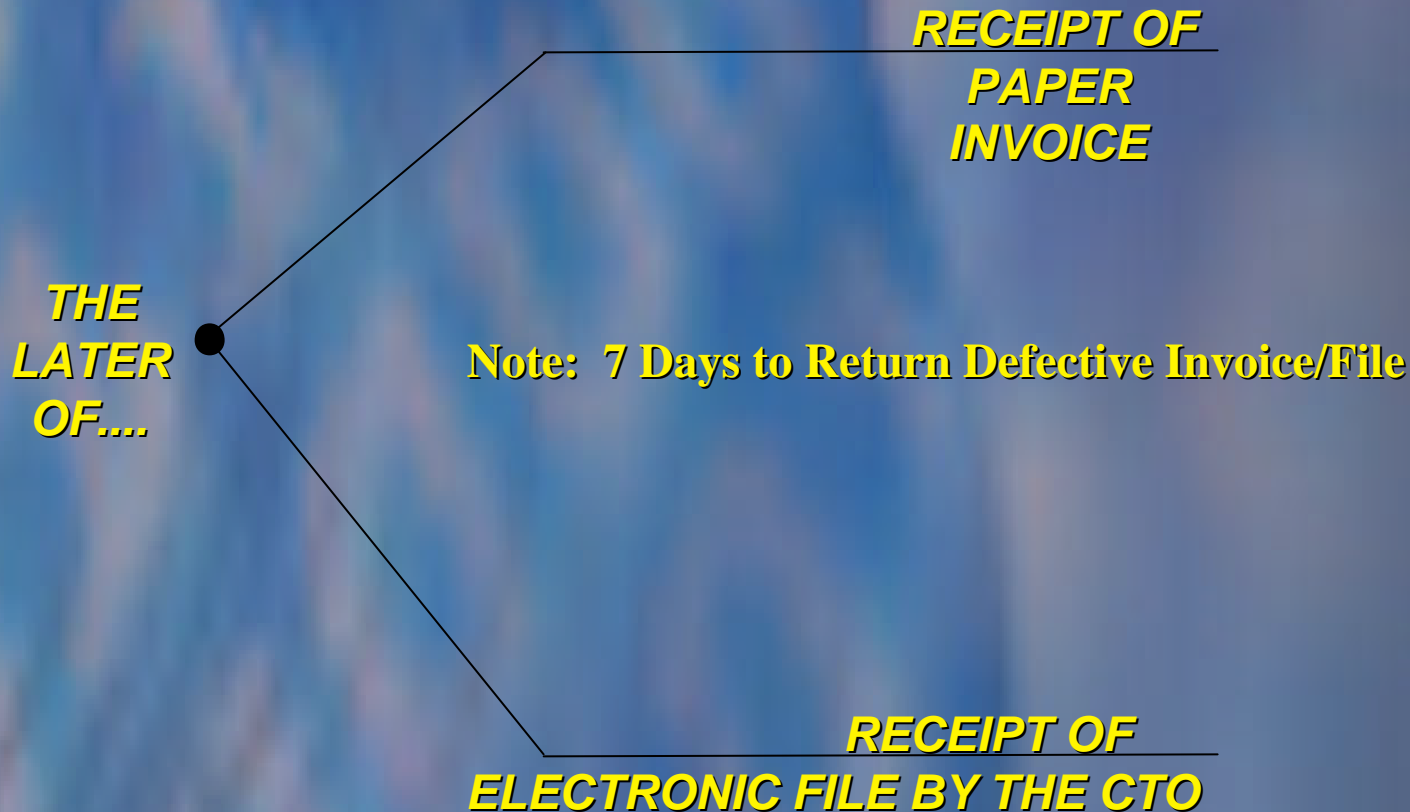
- **Invoices are Managed by Two Clocks**
 - ***BOA Suspension Clock – Cycle Driven***
 - ***Prompt Pay Act Clock – Received Date Driven***

BofA Suspension Clock

- **Cycle Date Driven**
 - ***Invoice Produced***
 - ***Invoice Mailed***
 - ***Invoice Received***
 - ***Invoice Paid***
- **Control Rest With the Bank**
- **Not an Issue if Payment by Day 60 After Cycle**

The Prompt Pay Clock

Receipt Date Driven



Prompt Pay Act Clock

((continued))

➤ **Date Stamp Received Date on Invoices**

➤ ***DBO Responsible Official***

➤ ***Starts the PPA Clock***

➤ ***Needed by DPO***

CBA Payment Process



CBA Payment Process

(continued)

➤ Payments - Basic Requirements

- *Date Stamp Incoming Invoices***
- *Forward a Correct Invoice Package***
 - *Pay or Dispute Charges***
 - *Include Required Documents***
 - *Ensure Appropriation Data is Correct***
- *Make Payments on Time or***
- *Automatically Pay Interest on Late Payments***
- *Verify Account Posted***

Payment Office Issue - Prevalidation

- **Preval - Major Payment Stopper**
- **Actions Needed**
 - ***Verify Accuracy of Data***
 - ***Forward Complete Package***

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Prompt Pay Act

Additional Penalties

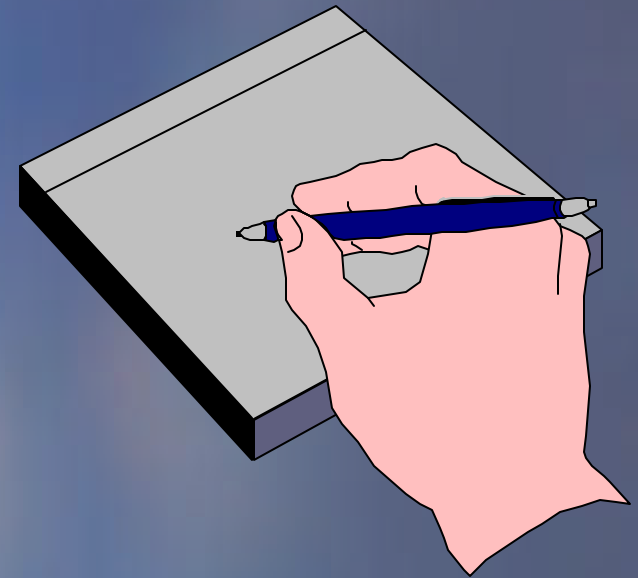


- ***\$25 Minimum Additional Penalty***
- ***\$5,000 Limit on Size of Additional Penalty***
- ***30-Day Window to Submit Claim for Additional Penalty, Starting 10 Days After Principle Payment***

Prompt Pay Act

Vendor Claims

- **Must Make Written Demand**
- **State Principle Was Paid**
- **State that no Interest was Paid**
- **Provide Invoice and Contract Information**
- **Certify the Above Facts with Evidence**

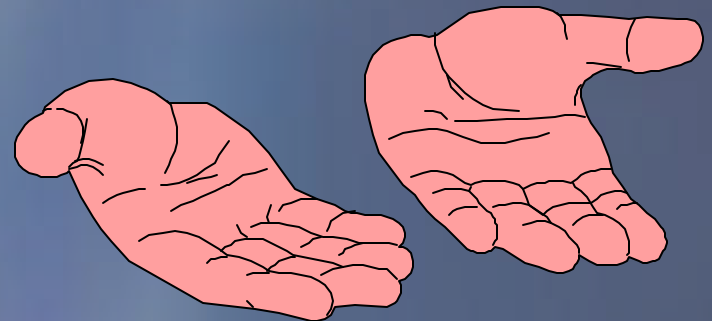


Prompt Pay Act

BofA Interest Demand Letters

Current DoD Policy

- Process Conforming Letters
- Return Nonconforming Letters



Summary

- DOD Goal – Make Timely Payments
- DOD Statistics - Good Job!
- New Delinquency Rule to Become Effective - Suspension at 60 Days
 - BofA Suspension Clock
 - Prompt Pay Act Clock
- Standard Processing/Payment Procedures



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